STATE OF WASHINGTON HOUSE OF REPRESENTATIVES 2009

Representative Glenn Anderson 5th Legislative District



Higher Education Education Appropriations Capital Budget

May 8, 2009

The Honorable Brian Sonntag State Auditor Insurance Building PO Box 40021 Olympia, WA 98504

Dear Auditor Sonntag,

As you know, 2SSB 5433 as recommended by the Conference Committee passed the Legislature on April 26, 2009. Earlier versions of this bill included a directive for your office to conduct a performance audit of King County government operations. While we are disappointed this provision was not included in the final conference language, we strongly urge you to proceed with a full performance audit of King County government operations.

The recently adopted 2009 King County budget was \$4.92 billion with a \$627.8 million general fund. County officials continually argue that new tax sources are needed to deal with a projected general fund shortfall of \$40 to \$50 million in 2010. If this projected shortfall stays at current levels, it represents less than 8 percent of the county's general fund and only about one percent of the total county budget. Public officials arguing that a tax increase is the only way to solve a one percent budget shortfall appear to have not looked hard enough for efficiencies in current services.

2SSB 5433 includes broad new tax authority. One part of that bill gives King County authority to impose a new regular property tax levy of 7.5 cents/\$1,000 assessed value for transit-related expenditures *without voter approval*. This new property tax authority represents an estimated \$26 million tax increase for King County property owners in Calendar Year 2010.

The bill also provides new taxing authority for transit districts (e.g. King County Metro Transit) to seek voter approval of a \$20 "congestion reduction tax." If approved, it represents another \$31 million tax increase on King County vehicle owners.

Finally, 2SSB 5433 includes looser restrictions for the use of the 0.1 percent sales/use tax for mental health and drug treatment programs imposed in 2007. When originally imposed, taxpayers were told that the additional tax would fund new or expanded mental health and drug treatment services. Now, King County can use part of this tax to fund existing services, freeing up money to spend on other services.

Given the new tax authority granted to King County in 2SSB 5433, we strongly urge you to proceed with a comprehensive performance audit of King County government operations. Taxpayers deserve to know that King County government has done all it can to reduce the administrative and operational cost of service delivery before imposing or asking voters to approve new taxes.

Thank you for your consideration of this request. We look forward to your favorable reply.

Sincerely,

Glenn Anderson State Representative

5th Legislative District

Jay Rodne State Representative 5th Legislative District